REMARKS BY THE DIRECTOR OF CENTRAL INTELLIGENCE

ADMIRAL STANSFIELD TURNER

AT THE

MEN'S FORUM

HOUSTON, TEXAS

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Last Tuesday was a big day for the Intelligence Community of this country. The President signed the Executive Order on the organization and control of the Intelligence Community. I believe the importance of this document comes from the fact that there is a general recognition in the government today that we are at an important turning point in the history of intelligence in our country. After several years of turmoil and criticism we are now beginning to move surely again in a very positive, but at the same time, modern and uniquely American direction. Let me try this afternoon to describe what is happening in terms of an anology with a great American institution, the family business.

The stage where we are in American intelligence today is like that of a family business that has progressed very successfully for 20 or 30 years and has reached a point where it realizes that the time has come for it to incorporate.

Frequently, a business incorporates when, after a number of years, its very successful original product needs modification, or the product line needs diversification and going public seems to be the only way to accomplish these goals.

Our product line started out in the wake of World War II. It focused almost exclusively on the Soviet Union, the satellite countries in Eastern Europe, and on those particular instances when the Soviets made forays out into the rest of the world trying to establish footholds. Basically, our product was determined by what the Soviets were doing and where they were doing it. The focus was primarily on military intelligence. There was also one other characteristic that we should not overlook: that in those days and particularly with respect to the CIA, the country not only wanted to be informed on what was going on but wanted the CIA to step in and influence those events. We were there in Iran in 1953, in Guatemala in 1954, in Cuba, in Vietnam and, as recently as 1975, in Angola until the Congress decided otherwise.

I suggest today, as we look out on the world scene, that it is quite different. We are not interested primarily in the Soviet Union and half a dozen of her neighbors. We have an intense, a genuine, and a legitimate interest in almost all of the 150 odd countries in the world. Those interests stretch from the military to the political

to the broad economic questions of the day. Now there is no question that the Soviet military threat remains the number one priority consideration of American intelligence; however, we must also fill these vast other needs.

It is only four or five years ago that we began predicting the Soviet grain harvest. But look at the change that this and other non-military efforts bring to the intelligence process; the different kinds of people we must have; the different kinds of analyses, tools of collection and so on. Look at how different the attitude throughout the country is on the question of political action today. Certainly we must retain that capability for those places where it is applicable. But, I do say that we must be more judicious in its use and ensure that the execution of political influence is under tighter controls. Indeed, we are in a period of change.

To me, this is a change of product. We have a different product today to the extent it has a wider sphere of interest economically, politically and militarily; a greater geographical scope; and more focus on the collection of information than on political action.

A second reason a family business may become a public corporation is when its production line is out-moded and it no longer fulfills the company's needs. The owners must find capital to install modern machinery. We have some astounding modern machinery in the intelligence world today. Technical collection systems that are just burgeoning. In some ways it is like the difference between watering your flowers with a garden hose yesterday, and then finding that today you have a fire hose. That is the difference over the last decade in the quantity of information that has become available through advanced technical collection systems. And that must change our production line, the way we do our business.

Now, interestingly, one effect that has is to increase the importance of the human intelligence officer. There have been human spies at least since Jericho. They have been around ever since and I believe always will be. Today they are growing in importance because the more technical data we collect and offer up to the policymakers, the more they say, "Your technical systems tell me what happened yesterday and what the status is today, but what

is going to happen tomorrow?" Or, "Why did they do that?" Or, "What are their intentions?" As I know you appreciate, this is the forte of the human intelligence officer. So the real change in our production line today is that we must meld this growing capability to collect raw data with the increased need to answer questions which only the human intelligence collector can do. It is really a change in production style. The human agent is no longer the primary intelligence tool. He is certainly the first among equals, but today is one in a galaxy of stars. And that too, like changing the product, is something of an unsettling process. It adds ferment to the organization, must be adjusted to, and that takes time.

There is still a third reason that private businesses go public. When you change both your product and your production line you sometimes need different kinds of human talent. New capabilities, new methods, often demand special training or education and sometimes a radically different outlook. Maybe you have a big enough staff to do the job but not quite the right fit of talent for your new production line.

Such is the case in the Central Intelligence Agency today. As we retool away from a family business concept to a public corporation concept, our personnel policies must be retooled also. We have been blessed in this country for thirty years. Some of the finest, most dedicated intelligence professionals came into this organization in its early years, at the height of the Cold War, and have made it into the finest intelligence organization in the world. But, let me give you just one statistic. The four top grades on the government payroll are GS-15, 16, 17 and 18. They represent the four top levels of vice presidents in our corporation. Today the average age of officers in the GS-15, 16, 17 and 18 brackets in the Central Intelligence Agency's clandestine service section differs by only three years and, between GS-15, 16 and 17 by only one year. They are all around 50 years old. The average retirement age in these grades in the clandestine service is 55. One day very soon we will have a block of extremely capable senior managers all retiring at the same time. In business, if half your vice presidents retire within two or three years of one another, what do you do? You go out to the market place and find other people in similar corporations and you bring them in. But where do I turn to get an experienced chief of station, a professional intelligence officer? I have to raise them from within. To do that

we must have a promotion and progression policy so that when I must assign someone to a sensitive, risk-taking post for this country, I will have three or four choices to be sure that we can find exactly the right one. To do this you must have internal competition and you must provide for the good people to be identified, selected, and moved along so that when you bring them into those top positions they have had the grooming and experience to do an outstanding job. It is one of the reasons I had the unpleasant task on the first of November of asking 212 of our employees to leave, two-thirds of them to retire. I didn't like that, but I felt it had to be done for the health and the future of the clandestine service of the Central Intelligence Agency.

Let us take the anology one step further. Family businesses are private. Public corporations are exposed to the light of public scrutiny. And so too in American intelligence today, after the years of investigation and inquiry there is no way we can avoid being more in the limelight. It has disadvantages--the KGB does not have to operate under those kinds of constraints--but there are also advantages. Look back to when all the criticism of intelligence activities started. Had the Central Intelligence Agency, in particular, garnered more public understanding and support, it might not have taken quite the battering it did. Much of it was quite unjust and uncalled for, even malicious, in my opinion. But it found itself alone, with few defenders. Today I hope we can help the American public understand better what we do and why, thereby building greater support. I am not suggesting in any way that in the intelligence business one can "go public." Some information can be shared, but much cannot be. Some things cannot be done without the assurance of secrecy.

In recent months I have been working in two directions in this area of secrecy and openness. I am taking what some may regard as almost draconian measures to tighten security around how we get our intelligence, what these new technical systems are, how human agents work and the most sensitive information that they obtain. On the other hand, I am opening up the intelligence process where we can afford to open up. Whenever we complete a major study or estimate, it is carefully examined to determine whether enough would be left of benefit to the American public if we took out that which must remain classified. If there is, it is made available. We have done that, I believe, with good service to the country in recent months. For example, I believe the Soviet economic forecast that has been

released to the public has stimulated some interesting and worthwhile debate in this country on the world energy situation. I hope that our contribution has helped to improve the quality of that national debate. I do not believe we have released anything that would be of great succor to the enemy.

Finally, let me suggest that when that family business goes public it is also suddenly subject to much greater oversight and control from its board of directors and, to some extent, from the public itself. So too with American intelligence today. Out of the crucible of criticism is coming a process of oversight. My board of directors is of course the President, the Vice President and National Security Council, the Intelligence Oversight Board and two committees of the Congress. Because we all appreciate that there is no way in which you could have total public oversight of an intelligence process, these individuals and committees constitute surrogates for public oversight.

Today we are reporting more frequently and more completely than ever before to these surrogates. The process is working well and is benefiting us in several ways. First, this contact with the Congress enables us to stay closer in touch with American sentiment. Second, we benefit from outside judgment and a somewhat detached view of the risks which must often be taken in the things we do. Frankly, the senators and representatives on the two intelligence committees feel the weight of that responsibility and particularly in terms of security, have shouldered it well.

But let me stress that all of these steps in the evolution of a family-type business to a public corporation are unsettling. We must wait to see just how much of it will settle out. For instance, it will be another year or two before relations with the oversight bodies are fully established. Yesterday we laid an important foundation for that relationship. Today we are moving in the directions I have pointed out. The Executive Order helps in three cardinal ways. First, it attempts to ensure the intimate involvement of the policymaker in the determination of what we should be doing in intelligence. Clearly, not being a consumer, I am not the one to set the priorities for collecting intelligence. My function is to provide a service to the consumer. So I chair a subcommittee of the National Security Council where I am expected to draw out from the Secretaries of State, Defense, Treasury, the National Security Council advisors and the President what they need and what their priorities are. This has been attempted before

in other forms and we will have to see if it works through this one. I can assure you we are determined to make it work. If the high level attention and interest it has received in the several months it has been functioning in advance of the actual signing yesterday are any indication, it will work well.

Second, the Executive Order strengthens the authority of the Director of Central Intelligence in a number of areas. In essence, this harkens back to the National Security Act of 1947 which tried to establish a centralized authority over intelligence but never quite worked that way. Contrary to media reports, no czar of intelligence has been created, nor is there an intention to create one. What has been done is that for the first time the Director of Central Intelligence will have clear authority to formulate the overall National Foreign Intelligence Program budget. The 1979 budget was put together by the new process in anticipation of the signing of the Order and I think it worked splendidly. The interests of the Defense Department, the State Department, Treasury and everyone else were considered fully. There was a thorough exchange of views and agreement before the final decisions were made and the budget presented to OMB and the President.

Next, the Order strengthens my authority over tasking. This extra control ensures that all the collection elements, human and technical, no matter who is actually operating them, are under central direction and control. The expensive, risk-taking portion of intelligence is collecting. Here we want no excess overlap nor can we afford gaps. We must also anticipate broad Community needs for today, 5 and 10 years from now and prepare for them. I think this will permit us to do that. It does not, however, give me the authority to ride roughshod over the interpretation and analysis of intelligence. The Bureau of Intelligence and Research at the State Department and the Defense Intelligence Agency are just as independent today as they were yesterday. In analysis we want overlap. Divergent views when they exist must be able to come forward. We are not looking for major economies here because there are neither the risks nor the large costs.

Also, the Executive Order authorizes me to ensure the proper dissemination of the information collected. We are all aware of instances where one agency has collected something and given it to some of its consumers but forgot somebody else. I now have centralized authority to ensure that dissemination takes place and shall make every effort to do it well.

Finally, the third cardinal area of change is in oversight. Here, as a follow-on to the Executive Order signed by President Ford in February 1976, procedures are established by which intelligence operations that could infringe on the rights and privacy of American citizens are controlled. The method of that control will be largely through guidelines which are established by the Attorney General.

That is the Executive Order. The last step in the whole process will be the development of legislative charters by the committees of the Congress. Their first draft will be tabled next week. They will probably take some months to work that out, with negotiations between ourselves and the various bodies of the Congress, but over the next year or so we will see the codification of some of the Executive Order regulations as well as other regulations. We will be settling down into a process which I think will strengthen our capabilities, challenge our energies and from which will evolve an intelligence philosophy which is new and uniquely American. I'm bullish for the prospects.

~~INTERVIEW WITH~~ ADMIRAL STANSFIELD TURNER

Men's Forum

Houston, Texas

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ADMIRAL STANSFIELD TURNER: George has told you the official story of how you come into a job like this. Let me tell you how it really happens.

A year ago today, I was sitting on my sunny terrazzo in Naples, Italy, a fairly busy but not overly worked NATO military commander. A year ago tomorrow, I was on an airplane coming back to see the President of the United States, who told me I was going to change positions, change professions, change locales.

And I said to myself, "You know, that's what you get for 30 years of being a good, honest, clean-living, simple military officer; you're suddenly named the chief spook of the whole country.

Seriously, I appreciate the support that you're showing for this vital role of intelligence in our country by being here today, and I appreciate the responsibility the President did bestow on me a year ago. It's been a different year for me. It's been a very exciting one. It's been a very demanding one, a very stimulating one. Not only because the job is, I think, of importance to our country, there is a contribution that can be made in it, but because I happen to have been fortunate in arriving at it in a moment when it's a time for important adaptation. In fact, it's time for a new era in American intelligence. And I believe that after three years of intense criticism in this country of past abuses in intelligence, some of them real, some of them imagined, we've turned the corner and we're going to see a much more constructive, positive approach to the question of how can we maintain the effective intelligence which is essential to our being the power in the world that we are today, and do so within the limits of our democratic standards and ideals.

I believe sincerely that that can be accomplished. But I would also say to you that it can't be done without some adaptation of the way we are going about our business and have been going about it. And you don't make adaptations, you don't make changes in major organizations and bureaucracies without controversy without some pain.

I would liken it to a small, very successful family business that suddenly decides it has to go public. It's been in business 30 years, it's had a good product, it's made a profit; but that product now is just a little out of date, and it needs to widen its sphere and diversify. So it incorporates.

Well, the business, the family business of intelligence in this country started out like a family 30 years ago. Out of OSS, out of World War II, in 1947 we established the Central Intelligence Agency and the post of Director of Central Intelligence to coordinate all of our intelligence activities, and we did so for the first time in establishing a peacetime organization for intelligence.

But our product back then was a very narrow one. It was really "what's going on in the Soviet Union." Perhaps we were interested in what was going on in the satellite countries of Eastern Europe, and from time to time we were very interested in what was going on in those countries around the Third World where the Soviets were making a foray, a pressure, an attempt to establish a hold. But our product was determined by what the Soviets were up to, and where.

And our product also had another characteristic. The country, in those days, did not want from us in the intelligence world only intelligence information, they wanted help in what was going on, what we call political action. And the Central Intelligence Agency was in the forefront of political action in Iran in 1953, in Guatemala in 1955, in Cuba, as we all know, for many years in the 1960s, very effectively in Vietnam throughout that time, and as recently as 1975 in Angola, until the Congress of the country said, "No. Stop."

Well now, look back on what's changed in that product over these 30 years. This country today is interested in a diversity of intelligence, far greater than 8 or 10 or 12 countries around the Soviet Union and their areas of interest. We're interested in far more than just military intelligence, which was largely the focus at the beginning. We cannot in any way denigrate or ignore or slight the importance of being on top of the intelligence about the Soviet Union today. But how, in the hub of the world's oil business, can I not say that we have to be on top of economic intelligence, how much that is affecting the security and the future of our country; and political intelligence? And not just about these few countries, but about most of the 150-some countries around the world.

And also our product has changed because there's a different attitude in the country today about political action, about taking action to interfere in the internal events of other countries. We are not eschewing it, but we're being more judicious. We're doing it under tighter controls.

And so, our product today is a broad sweep of economic, political, and military intelligence about a wide range of geographical areas, and less on political action than before.

And that adaptation is difficult. It requires new outlooks, new attitudes, new tools, new methods of analyses, and new people. And we're in that throes of change, and it causes problems, but it's an adjustment we will make and we will make easily.

Now, another reason a family business sometimes goes public is simply that the old production line is wearing out and the machinery isn't up to the new standards, the new speeds. And you have to get more capital, and so you incorporate.

The machinery, the production line of intelligence, gentlemen, has changed markedly in the last decade. We have new technical means of collecting data, collecting information that are astonishing and that are burgeoning in capability. It's like going out today with a garden hose and tomorrow with a fire hose and the next day with a water main, the amount of data that can be collected. And the future is immense.

But at the same time, the traditional method of collecting intelligence, the human agent, the spy, which has been with us since the days of Jericho, has an even growing importance in this new environment. Because when you get technical data, very generally, broadly speaking, it tells you what happened yesterday or today. And when you present that to a policymaker, he says, "But, Stan, why?" Or, "What are they going to do tomorrow? What are their intentions?" And that, of course, is the forte of the human intelligence agent.

So, today, we need more emphasis on human intelligence collection to complement the great quantitative increase in technically collected information. But the difference in our production line, as we've gone from a single piece of machinery to a series of integrate, well-oiled, well-meshed machines that must be played together -- you learn something by some technical information, and you have to go supplement it with a human agent. You get something from a human report, and you turn the technical sensors on to tell you more about it. And so on.

But that's a sense of teamwork, that's a sense where nobody's the star on the team, we're all complementary.

Gentlemen, it takes adjustment, too. It takes changes in style, it takes changes in organization; and they can be unsettling to a traditional and well-established organization such as we have.

Now, a family business also frequently finds that as it goes public, its personnel policies have to change. Uncle Charley and Cousin Bill are not necessarily ideally suited to some of the new tasks that come along. And so, too, a very close-knit family atmosphere in the intelligence community, particularly in the Central Intelligence Agency, over these 30 years is changing.

We have been blessed by some of the most dedicated, capable, patriotic people who've been in this intelligence business for the last 30 years, or thereabouts; people who came in after the war, who came in at the height of the Cold War. But today we are facing a situation when that group of people occupies a disproportionate share of the top hierarchy of our Central Intelligence Agency.

And that causes me a problem. Because when they retire

in normal course, in three or four or five years, where do I look for some new vice presidents?

In any one of your corporations, almost, I suspect, if you're faced with this kind of a mass exodus of people at the top, you go out laterally and you find some others from your competitors, from the market. But where do I turn to go get some experienced, professional intelligence officers, some professional spies? No way I can get them anywhere but from inside. And so I have to create a personnel management system that will move things along enough that we're training the younger ones and giving them the experience they will need, so that when they have to be moved up to the top, they're ready.

Gentlemen, when I send a man to a new assignment that's very sensitive and risk-taking for this country, on which our country's reputation and perhaps success depends, I want to be confident he's the right man, I want to have three or four choices. And that's not going to be the case with this bunching that we have today as a result of these fine people who have stayed with the system this long.

So, as you've read in the press -- and I see we have some questions on it here, so I'll respond to it in more detail later -- I've been forced, for what I think is the long-term good of the organization, to ask 820 of our people to leave and to make room and to reduce the amount of overhead. And it hasn't been pleasant and it hasn't been easy and I haven't enjoyed it, but I did it because I felt it was absolutely necessary for the long-term health.

Now, a family business, also, is not accustomed to being in the limelight. It can stay out of the public eye. But when it goes public, it accepts that responsibility. And an adjustment is being made here, in the same way, in the intelligence world of our country today, and it's a very difficult adjustment, because we must operate much of our activity in total secrecy. And so, any effort to become more public and more open is a wrenching, difficult experience.

But I believe that we must. I believe the intelligence community of our country must share more with the American public, not the inner secrets, not the ways in which we get our intelligence -- because if you disclose that, you won't get it anymore -- but more of what we're doing and what the product of intelligence is when it can be brought to an unclassified level.

In these last years of criticism, I think we suffered in the intelligence world unduly because the American public had not enough understanding to support us adequately. No effort, or not adequate effort had been made to explain the process of intelligence to the public. And so today, for instance, when we do, say, a good estimate on what's happening in some part of

the world, we will look at it carefully and say, "Could this be declassified and still have enough meaning left to be of value to the American public, and particularly the American business community?" And if it does, we will publish it.

I am sure that many of you here heard of or read a report we published last March about the prospects for the world energy situation. Now, that was a very useful report, in my opinion, in helping to improve the quality of debate in the United States on this critical subject. And we certainly don't profess that our answers were absolutely correct or that we are not subject to error. We have been very scrupulous in trying to invite criticism. We have written -- I have written personally -- to the principal people who have criticized that report. And those that responded with a good rationale, something we could get our teeth into, we invited down to the agency, we had a day of discussion with them. And over the period of time since then, we have not found adequate argumentation against our study to make it appear invalid, but we're checking carefully, as the indicators continue in, as to whether we are on the right track or not, because we're happy to correct it if we are not.

But we hope that we have stimulated a debate here that will help the country focus on the right issues in this energy question.

And we supplemented that in April with another study about the Soviet energy prospects, and we said those look sort of bleak. They're not going to be able to open up new fields as rapidly as the old fields are going to decrease in production capacity.

Again, we hope we've helped, because we don't find there is a lot of effort inside the United States on studying the Soviet oil situation, not as much, of course, as on the Mideast and other areas of the world. So we hope we have contributed something here.

But again, we may be wrong. And, in fact, we almost certainly will be wrong, to this extent: that what we are saying is that the world supply of oil in the next 8 or 10 years is not going to be able, no matter what we do, to keep up with the demand; not that the reserves aren't going to be there, but that the ability to get it out of the ground won't be there.

Now, maybe we'll be wrong because somebody will find new efforts to get it out of the ground that we haven't anticipated. Maybe we'll be wrong because people will conserve more and the demand curve will drop, and various other solutions. And the Soviets may solve their problem by not exporting as much to the Eastern Europeans, or other devices of conservation or whatever else they can do.

But we're trying to focus on the fact that hard decisions are going to have to be made, by the Soviets, by ourselves, and by many others.

And we intend to continue publishing reports like these, and hope that they will be helpful. But again, this is another change in the American intelligence process that makes it more difficult for those inside to understand and to adjust to.

And finally I would say that a family business also is not accustomed to a lot of external oversight. But when it goes public, there it has a board of directors, it has stockholders. And I too, today, as the chief of intelligence, have my board of directors, my oversight procedures. My board is the President, the Vice President, the National Security Council, something the President has established called the Intelligence Oversight Board, and two committees of the Congress dedicated to the intelligence process. And I report to them all, regularly and in detail. And there are some who think this is dangerous; there are others who think it is salutary and will help insure that there is not an abuse of this intelligence process.

I find there are strengths in this oversight, the strength of helping to keep the intelligence world better in touch with the American public, through the Congress and through the President; strengths in having some outside view of some of the risks that we must take, helping to put them into better perspecive as to the national interest; and also there are strengths in having someone to share with us these difficult decisions and risks that we must take.

But I would candid with you. Too much oversight can lead to intelligence by timidity, unwillingness to take risks. Too much oversight can lead to leaks and the dispersal of our very sensitive information. And I think it will be another year or so before we really settle down on these procedures and know that we're going to do it in a way that will not lead to timidity or security risks. I'm confident we can get there and will, but we're not there as yet.

But these five steps I've talked about, these five evolutionary trends that are going on in American intelligence today: a different product, a different production line, a new personnel management approach, more openness and more oversight, they're almost proceeding inevitably. But now we have, in the last week -- a week ago yesterday -- a new presidential directive, an executive order, which sets the framework for this new American model of intelligence. And very briefly, what it does is it establishes procedures in three areas to insure that the intelligence organization of the country is run both effectively and in accordance with the standards that the President establishes.

First, it makes me chairman of a committee, with the

Department -- the Secretary of State, Defense, Treasury, and the National Security adviser to the President, to set the overall policies, the overall priorities for the intelligence effort. It's not my job to do that. I'm the producer, not the consumer. I need to have these consumers sit around the table with me and tell me what they want, what they need, what the country needs, because otherwise we're not providing the service that we should.

Secondly, the order provides to me, as the Director of Central Intelligence, the coordinator of the entire intelligence activity of the country, more authority, more authority particularly over the elements of collecting intelligence, to do it more efficiently, to do it more effectively.

And thirdly, the order establishes procedures under which the Attorney General will make guidelines as to how I may conduct certain activities that may infringe on the rights of the American citizen. And within those guidelines, I am free to work. And I worked with the Attorney General in establishing those guidelines. And here we have, I think, an excellent system for checks and balances to insure that the standards, the ethics of our society are represented in the process of intelligence, but yet without crippling it.

I believe this new framework, this new executive order is going to strengthen and give us better intelligence in the long run, better intelligence and pointed in these directions that I've been indicating.

And I stand here with you today, thankful for your attention, and only to reassure you that I believe we're the best in intelligence in the world today, and I'm going to do everything I can in the years ahead to keep us that way.

Thank you.

[Applause]

ADMIRAL TURNER: I've got a few questions here. And let me try to move through them quickly, and see if there are any others from the floor.

"Do you foresee the time when we can completely do away with the Central Intelligence Agency?"

That's a good starter.

The answer is no. And the reason is that the Central Intelligence Agency is the only intelligence organization of our country that's not associated with making policy. That is, we have no ax to grind. We're not trying in any way to say, "This is the intelligence, and it suits what you want to do, Boss."

My job is to be the SOB who comes in and says, "The hard facts, as I interpret them, are this." And as recently as yesterday morning, I did that with the President. I went in and said, "Here's my analysis of a particular situation." In fact, what I said to him is, "Boss, I sat back last night and I said, 'If I were Brezhnev, this is how I would be look at this situation that we're involved in with the Soviet Union, and what I think their motives are and how they're going to respond.'"

And you need that. You've got to have somebody who's doing intelligence and is not tied up with what the country is going to do, so there's no taint of slanting the intelligence.

"How accurate is the information provided by CIA? How effective is this in determining national security policy?"

I think we're remarkably accurate in the technical and scientific fields. It's very difficult to be a hundred percent accurate in predicting economic trends, but I think we're quite good at that. It's more difficult to predict what people are going to do politically, but I think we do a reasonable job on that. I don't think you'll ever get those three forms of intelligence prediction to be of the same accuracy, but I think we do a very creditable job.

And as to its affecting national policy, I can refer you again to some remarks the President made a week ago yesterday, when he signed this executive order, and expressly pointed out how pleased he was and how surprised he had been since becoming President with the high quality of the intelligence product that he was receiving.

"Why the decrease in covert personnel and why all the publicity, letting everyone know? Why is the CIA being dismembered? Are Russian agents in high positions responsible for this?

I've tried to approach that in my remarks. Let me amplify very briefly to say that these 820 positions that I've found necessary to eliminate were all in our headquarters. They were fat, they were overhead. We have left the fighting arm of people overseas intact. And, in fact, I believe we've left them in a stronger position because they have less people supervising them, telling them what to do. They have enough, but they don't have a superfluity of Monday morning quarterbacks back here telling them how to run their game out there in the front lines.

"Isn't the Administration's clean-conscience attitude seriously jeopardizing the CIA's effectiveness? How can the CIA or any government intelligence agency operate effectively with Congress leaking top secret information? Do you feel restrictions placed on CIA by the Congress impede the effectiveness of the CIA? I think those are all sort of related.

Philosophically, I believe you have to start from the point of view that intelligence is a dangerous operation. We're taking risks, we're doing things that none of us, you or I, like to do. We're compromising with the standards that we all would like to see established around the world. But we don't live in a nice, clean, harmonious world today. And without information, we would be at a great disadvantage.

And, therefore, we have to strike a balance between what extremes we will go to to obtain information, and not having that information at all. And there are some cases where it's not worth the candle. There are some cases where undermining the fabric of our society, in effect, spying on the American people, against the Constitution, for instance, would not be worth it.

Drawing a firm, clear line as to where you will proceed and where you will retreat is very, very difficult, and it just can't be done in an express set of terms.

And what we do get, and I hope we will receive in the next year afrom the Congress, are a set of rules, a set of guidelines as to how they want us to proceed and how to operate, the guidelines which will place some trust in those of us in positions of responsibility in the intelligence world, to interpret and to proceed with the spirit of those rules. And I believe that can be worked out in a way that it will not disable us, and yet it will pay attention to the fact that we as a country are a very moral people.

"Do you feel the effectiveness of the CIA has been hampered by the adverse publicity of the past two years? How has this affected our security?"

Yes. Yes, its effectiveness has been hampered.

I talked with one our people the other night. It happened to be a fellow whose son was at Amherst College, where I had attended. His boy was there in the height of the criticism of the Central Intelligence Agency a couple of years ago. And he just couldn't admit to his classmates that his father worked in the Central Intelligence Agency.

That eats at the heart of an organization, when you're proud of what you've done for 30 years, and now your son can't admit that he is associated with you and the agency.

So, yes, it hurts. But these people are marvelous people, they're dedicated people, they're patriotic people; and they'll snap back. And I believe we are turning that corner and we will have the public approbation that is so much deserved. And we will, I pray and hope, continue to deserve it, because we will perform in the way the country wants.

"Have recent developments weakened our ability to obtain meaningful intelligence information and obtain cooperation from allied nations?"

Yes. The leaks of information do hurt us in the international sphere. And when we talk to a person overseas who's willing to provide us information, at risk to his reputation, or maybe his life, he may get nervous if he thinks his name's going to appear in the United States media one of these days. And the same with foreign intelligence agencies who work with us. They don't want to be exposed, either.

So, we must, in one way or another, within the bounds of our laws -- and I was so pleased this morning to see on the front page of your paper the arrest of two spies, one of them an American citizen, inside our government. We must prevent that kind of thing. We must prevent these inadvertent and advertent leaks of important information that will compromise our intelligence process.

"What are your objectives while serving as CIA head?"

My objectives are to provide to our decision-makers in this government the most complete, objective intelligence that we possibly can to help them make those decisions they must make, and to do so within the bounds of the laws of this country and the established standards of propriety that the President has set.

"Please compare the effectiveness of the CIA to the KGB."

The KGB is more numerous around the world in the human intelligence business. They flood the market with spies. We are far ahead of them in the technical intelligence fields that I've described to you briefly. And we have an everlasting lead, in my opinion, in the interpretation of intelligence.

The data is only the first part. The second part is understanding it and drawing conclusions from it. And I have an abiding conviction that in a free, democratic society, where people are encouraged to think independently, that we will do better analyses of the data derived than will people in a closed, totalitarian society, where you are a heretic at the risk of your limb and life and reputation.

"For many years, my observations on facts and conditions in certain parts of the world were regularly solicited by the CIA, and I was proud to respond and assist my government. Sometime ago, I became afraid to continue, in view of possible misconstrued disclosures. Your comments, please."

I'm very disappointed. And I can assure you that proper cooperation with American business, American citizens is, in my

opinion of increasing criticality to our intelligence process. I never want to out and use these delicate, costly intelligence methods to obtain information that is available to us in our country through public means. That's not the way to do it. And more and more -- and particularly you here in Houston recognize this -- as you, the business community, deal overseas, you have information that can be of inestimable value to our country.

Our prediction on the Soviet oil problems had part of its foundation in collating information available in the business community as to what the Soviets were procuring in this country in terms of oil production equipment. It led us to diagnose what their problem was. And if would be a shame if that were turned off, as this gentleman has been turned off.

And I can only assure you that I think those are very shallow thinkers who in any way misconstrue and criticize a proper relationship with the intelligence community of our country. And I can only assure you that we do everything we can to insure that relationship is both proper and private.

"The Wall Street Journal has characterized our failure to anticipate the continuing strategic buildup by the Soviet Union as the most significant failing in intelligence in recent times. How did this occur? Will you do better?"

I don't know, and yes.

For my first four or five months in office, it was nice to say, "It's all George Bush's fault." Seriously, no. But I think, with the time I've been there, I can no longer blame it on anybody else.

But this is a very controversial subject, as to whether and how much the estimates of Soviet buildup in the military sphere have ever been off. I think the reports of the discrepancies have been exaggerated, but we're never right on. And I can only say to you that I think we're putting all the effort and all the attention we can on it, and I believe that we're quite accurate today.

"Can you comment on the recent Russian satellite case in Canada and its implications? How many are up there? Can we knock them down?"

We've watched that type of nuclear-powered Soviet satellite for quite a few years now, we've watched its pattern of activity. All the other ones they've put up have been safely boosted into outer space and left to decay up there. We detected some months ago that this one was not following the normal pattern. We alerted our people, who, in turn, talked to the Soviet Union about this one. We're all, of course, very pleased that if it had to come down, it came down in a non-populated area.

It's a riks when you put anything like that up in space. And the President has given his view in a press conference yesterday that -- or the day before, I guess -- that he'd like to see if we could reach agreement not to put that kind of thing up.

Are there any last questions from the floor? We've got a few minutes, do we, Bob?

Q: [Inaudible]

ADMIRAL TURNER: The National Security Agency and the CIA, the question was, what's their relationship?

The National Security Agency is managed by the Department of Defense. The Central Intelligence Agency is managed by myself.

As the Director of Central Intelligence, a second job which I hold, I am responsible for the overall coordination of both of those, and other intelligence organizations. And under the President's reorganization, he has now given me full authority to manage the budget of both of them, and the others; to task their daily operations -- that is, to tell what the national security agency is going to be looking for and collecting; and to insure that all the intelligence information gathered by these various sources is properly disseminated, that nobody squirrels it away in his own little place and doesn't tell everybody else who properly needs to know.

So, it's a basically military organization under my budgetary operational control.

Q: [Inaudible]

ADMIRAL TURNER: Well, let me only comment there, on the question of will we tighten standards for selling computers and other technologically advanced equipment to the Soviet Union, that that's a policy matter that is not in my field. But I do watch the receipt of technologically advanced equipment on the other side. We're not here to spy on you or others who are in the business of selling it, but we do watch what the state of technology is in the Soviet Union, and try to tell our decision-makers, our policymakers how much that's depended upon, both proper and improper transfers of technology from us and from other countries around the world. It is happening. It is unfortunate in some areas.

Q: [Inaudible]

ADMIRAL TURNER: Are we still a step ahead of the Russians on strategic forces field?

Yes, in my opinion, we are. In both the strategic and

conventional field, the Soviet Union is making, as you're well aware, prodigious efforts and outlays. It's my opinion that they want to be a major world power, and that means competing with us in every sphere that they can.

Fortunately, they are really not competitors in the economic sphere. You gentlemen and the others of the business community of this country have kept us well ahead, and, as far as I can see, will for the indefinite future.

They are really not full competitors in the political sphere. They're not full participants, full respected members of the world community in the same sense we are. We're ahead. Maybe they'll close that in time, but they've got lots of handicaps.

In the military sphere, they have much greater opportunity to apply their wealt, to apply their effort; and that's what they're doing. And we must, as I'm sure you implied by your question, maintain an adequate military posture in the Free World that they do not gain political leverage from their military buildup effort.

That's what I believe they're after. They're after political influence as a result of a perceived superior military position, if they get to that point.

And the issue, then, is when do you, when do I, when do the French and the Germans ever perceive that we are at a substantial military difference, such that it would influence the political and economic decisions that we make. We cannot let that happen. But that's a matter that all of you must judge, as well as those of us in the development.

MODERATOR: Thank you very much, Admiral Turner, for a very enlightening discussion.

INTERVIEW WITH ADMIRAL STANSFIELD TURNER

Men's Forum

Houston, Texas

February 1, 1978

ADMIRAL STANSFIELD TURNER: George has told you the official story of how you come into a job like this. Let me tell you how it really happens.

A year ago today, I was sitting on my sunny terrazzo in Naples, Italy, a fairly busy but not overly worked NATO military commander. A year ago tomorrow, I was on an airplane coming back to see the President of the United States, who told me I was going to change positions, change professions, change locales.

And I said to myself, "You know, that's what you get for 30 years of being a good, honest, clean-living, simple military officer; you're suddenly named the chief spook of the whole country.

Seriously, I appreciate the support that you're showing for this vital role of intelligence in our country by being here today, and I appreciate the responsibility the President did bestow on me a year ago. It's been a different year for me. It's been a very exciting one. It's been a very demanding one, a very stimulating one. Not only because the job is, I think, of importance to our country, there is a contribution that can be made in it, but because I happen to have been fortunate in arriving at it in a moment when it's a time for important adaptation. In fact, it's time for a new era in American intelligence. And I believe that after three years of intense criticism in this country of past abuses in intelligence, some of them real, some of them imagined, we've turned the corner and we're going to see a much more constructive, positive approach to the question of how can we maintain the effective intelligence which is essential to our being the power in the world that we are today, and do so within the limits of our democratic standards and ideals.

I believe sincerely that that can be accomplished. But I would also say to you that it can't be done without some adaptation of the way we are going about our business and have been going about it. And you don't make adaptations, you don't make changes in major organizations and bureaucracies without controversy without some pain.

I would liken it to a small, very successful family business that suddenly decides it has to go public. It's been in business 30 years, it's had a good product, it's made a profit; but that product now is just a little out of date, and it needs to widen its sphere and diversify. So it incorporates.

Well, the business, the family business of intelligence in this country started out like a family 30 years ago. Out of OSS, out of World War II, in 1947 we established the Central Intelligence Agency and the post of Director of Central Intelligence to coordinate all of our intelligence activities, and we did so for the first time in establishing a peacetime organization for intelligence.

But our product back then was a very narrow one. It was really "what's going on in the Soviet Union." Perhaps we were interested in what was going on in the satellite countries of Eastern Europe, and from time to time we were very interested in what was going on in those countries around the Third World where the Soviets were making a foray, a pressure, an attempt to establish a hold. But our product was determined by what the Soviets were up to, and where.

And our product also had another characteristic. The country, in those days, did not want from us in the intelligence world only intelligence information, they wanted help in what was going on, what we call political action. And the Central Intelligence Agency was in the forefront of political action in Iran in 1953, in Guatemala in 1955, in Cuba, as we all know, for many years in the 1960s, very effectively in Vietnam throughout that time, and as recently as 1975 in Angola, until the Congress of the country said, "No. Stop."

Well now, look back on what's changed in that product over these 30 years. This country today is interested in a diversity of intelligence, far greater than 8 or 10 or 12 countries around the Soviet Union and their areas of interest. We're interested in far more than just military intelligence, which was largely the focus at the beginning. We cannot in any way denigrate or ignore or slight the importance of being on top of the intelligence about the Soviet Union today. But how, in the hub of the world's oil business, can I not say that we have to be on top of economic intelligence, how much that is affecting the security and the future of our country; and political intelligence? And not just about these few countries, but about most of the 150-some countries around the world.

And also our product has changed because there's a different attitude in the country today about political action, about taking action to interfere in the internal events of other countries. We are not eschewing it, but we're being more judicious. We're doing it under tighter controls.

And so, our product today is a broad sweep of economic, political, and military intelligence about a wide range of geographical areas, and less on political action than before.

And that adaptation is difficult. It requires new outlooks, new attitudes, new tools, new methods of analyses, and new people. And we're in that throes of change, and it causes problems, but it's an adjustment we will make and we will make easily.

Now, another reason a family business sometimes goes public is simply that the old production line is wearing out and the machinery isn't up to the new standards, the new speeds. And you have to get more capital, and so you incorporate.

The machinery, the production line of intelligence, gentlemen, has changed markedly in the last decade. We have new technical means of collecting data, collecting information that are astonishing and that are burgeoning in capability. It's like going out today with a garden hose and tomorrow with a fire hose and the next day with a water main, the amount of data that can be collected. And the future is immense.

But at the same time, the traditional method of collecting intelligence, the human agent, the spy, which has been with us since the days of Jericho, has an even growing importance in this new environment. Because when you get technical data, very generally, broadly speaking, it tells you what happened yesterday or today. And when you present that to a policymaker, he says, "But, Stan, why?" Or, "What are they going to do tomorrow? What are their intentions?" And that, of course, is the forte of the human intelligence agent.

So, today, we need more emphasis on human intelligence collection to complement the great quantitative increase in technically collected information. But the difference in our production line, as we've gone from a single piece of machinery to a series of integrate, well-oiled, well-meshed machines that must be played together -- you learn something by some technical information, and you have to go supplement it with a human agent. You get something from a human report, and you turn the technical sensors on to tell you more about it. And so on.

But that's a sense of teamwork, that's a sense where nobody's the star on the team, we're all complementary.

Gentlemen, it takes adjustment, too. It takes changes in style, it takes changes in organization; and they can be unsettling to a traditional and well-established organization such as we have.

Now, a family business also frequently finds that as it goes public, its personnel policies have to change. Uncle Charley and Cousin Bill are not necessarily ideally suited to some of the new tasks that come along. And so, too, a very close-knit family atmosphere in the intelligence community, particularly in the Central Intelligence Agency, over these 30 years is changing.

We have been blessed by some of the most dedicated, capable, patriotic people who've been in this intelligence business for the last 30 years, or thereabouts; people who came in after the war, who came in at the height of the Cold War. But today we are facing a situation when that group of people occupies a disproportionate share of the top hierarchy of our Central Intelligence Agency.

And that causes me a problem. Because when they retire

in normal course, in three or four or five years, where do I look for some new vice presidents?

In any one of your corporations, almost, I suspect, if you're faced with this kind of a mass exodus of people at the top, you go out laterally and you find some others from your competitors, from the market. But where do I turn to go get some experienced, professional intelligence officers, some professional spies? No way I can get them anywhere but from inside. And so I have to create a personnel management system that will move things along enough that we're training the younger ones and giving them the experience they will need, so that when they have to be moved up to the top, they're ready.

Gentlemen, when I send a man to a new assignment that's very sensitive and risk-taking for this country, on which our country's reputation and perhaps success depends, I want to be confident he's the right man, I want to have three or four choices. And that's not going to be the case with this bunching that we have today as a result of these fine people who have stayed with the system this long.

So, as you've read in the press -- and I see we have some questions on it here, so I'll respond to it in more detail later -- I've been forced, for what I think is the long-term good of the organization, to ask 820 of our people to leave and to make room and to reduce the amount of overhead. And it hasn't been pleasant and it hasn't been easy and I haven't enjoyed it, but I did it because I felt it was absolutely necessary for the long-term health.

Now, a family business, also, is not accustomed to being in the limelight. It can stay out of the public eye. But when it goes public, it accepts that responsibility. And an adjustment is being made here, in the same way, in the intelligence world of our country today, and it's a very difficult adjustment, because we must operate much of our activity in total secrecy. And so, any effort to become more public and more open is a wrenching, difficult experience.

But I believe that we must. I believe the intelligence community of our country must share more with the American public, not the inner secrets, not the ways in which we get our intelligence -- because if you disclose that, you won't get it anymore -- but more of what we're doing and what the product of intelligence is when it can be brought to an unclassified level.

In these last years of criticism, I think we suffered in the intelligence world unduly because the American public had not enough understanding to support us adequately. No effort, or not adequate effort had been made to explain the process of intelligence to the public. And so today, for instance, when we do, say, a good estimate on what's happening in some part of

the world, we will look at it carefully and say, "Could this be declassified and still have enough meaning left to be of value to the American public, and particularly the American business community?" And if it does, we will publish it.

I am sure that many of you here heard of or read a report we published last March about the prospects for the world energy situation. Now, that was a very useful report, in my opinion, in helping to improve the quality of debate in the United States on this critical subject. And we certainly don't profess that our answers were absolutely correct or that we are not subject to error. We have been very scrupulous in trying to invite criticism. We have written -- I have written personally -- to the principal people who have criticized that report. And those that responded with a good rationale, something we could get our teeth into, we invited down to the agency, we had a day of discussion with them. And over the period of time since then, we have not found adequate argumentation against our study to make it appear invalid, but we're checking carefully, as the indicators continue in, as to whether we are on the right track or not, because we're happy to correct it if we are not.

But we hope that we have stimulated a debate here that will help the country focus on the right issues in this energy question.

And we supplemented that in April with another study about the Soviet energy prospects, and we said those look sort of bleak. They're not going to be able to open up new fields as rapidly as the old fields are going to decrease in production capacity.

Again, we hope we've helped, because we don't find there is a lot of effort inside the United States on studying the Soviet oil situation, not as much, of course, as on the Mideast and other areas of the world. So we hope we have contributed something here.

But again, we may be wrong. And, in fact, we almost certainly will be wrong, to this extent: that what we are saying is that the world supply of oil in the next 8 or 10 years is not going to be able, no matter what we do, to keep up with the demand; not that the reserves aren't going to be there, but that the ability to get it out of the ground won't be there.

Now, maybe we'll be wrong because somebody will find new efforts to get it out of the ground that we haven't anticipated. Maybe we'll be wrong because people will conserve more and the demand curve will drop, and various other solutions. And the Soviets may solve their problem by not exporting as much to the Eastern Europeans, or other devices of conservation or whatever else they can do.

But we're trying to focus on the fact that hard decisions are going to have to be made, by the Soviets, by ourselves, and by many others.

And we intend to continue publishing reports like these, and hope that they will be helpful. But again, this is another change in the American intelligence process that makes it more difficult for those inside to understand and to adjust to.

And finally I would say that a family business also is not accustomed to a lot of external oversight. But when it goes public, there it has a board of directors, it has stockholders. And I too, today, as the chief of intelligence, have my board of directors, my oversight procedures. My board is the President, the Vice President, the National Security Council, something the President has established called the Intelligence Oversight Board, and two committees of the Congress dedicated to the intelligence process. And I report to them all, regularly and in detail. And there are some who think this is dangerous; there are others who think it is salutary and will help insure that there is not an abuse of this intelligence process.

I find there are strengths in this oversight, the strength of helping to keep the intelligence world better in touch with the American public, through the Congress and through the President; strengths in having some outside view of some of the risks that we must take, helping to put them into better perspecive as to the national interest; and also there are strengths in having someone to share with us these difficult decisions and risks that we must take.

But I would candid with you. Too much oversight can lead to intelligence by timidity, unwillingness to take risks. Too much oversight can lead to leaks and the dispersal of our very sensitive information. And I think it will be another year or so before we really settle down on these procedures and know that we're going to do it in a way that will not lead to timidity or security risks. I'm confident we can get there and will, but we're not there as yet.

But these five steps I've talked about, these five evolutionary trends that are going on in American intelligence today: a different product, a different production line, a new personnel management approach, more openness and more oversight, they're almost proceeding inevitably. But now we have, in the last week -- a week ago yesterday -- a new presidential directive, an executive order, which sets the framework for this new American model of intelligence. And very briefly, what it does is it establishes procedures in three areas to insure that the intelligence organization of the country is run both effectively and in accordance with the standards that the President establishes.

First, it makes me chairman of a committee, with the

Department -- the Secretary of State, Defense, Treasury, and the National Security adviser to the President, to set the overall policies, the overall priorities for the intelligence effort. It's not my job to do that. I'm the producer, not the consumer. I need to have these consumers sit around the table with me and tell me what they want, what they need, what the country needs, because otherwise we're not providing the service that we should.

Secondly, the order provides to me, as the Director of Central Intelligence, the coordinator of the entire intelligence activity of the country, more authority, more authority particularly over the elements of collecting intelligence, to do it more efficiently, to do it more effectively.

And thirdly, the order establishes procedures under which the Attorney General will make guidelines as to how I may conduct certain activities that may infringe on the rights of the American citizen. And within those guidelines, I am free to work. And I worked with the Attorney General in establishing those guidelines. And here we have, I think, an excellent system for checks and balances to insure that the standards, the ethics of our society are represented in the process of intelligence, but yet without crippling it.

I believe this new framework, this new executive order is going to strengthen and give us better intelligence in the long run, better intelligence and pointed in these directions that I've been indicating.

And I stand here with you today, thankful for your attention, and only to reassure you that I believe we're the best in intelligence in the world today, and I'm going to do everything I can in the years ahead to keep us that way.

Thank you.

[Applause]

ADMIRAL TURNER: I've got a few questions here. And let me try to move through them quickly, and see if there are any others from the floor.

"Do you foresee the time when we can completely do away with the Central Intelligence Agency?"

That's a good starter.

The answer is no. And the reason is that the Central Intelligence Agency is the only intelligence organization of our country that's not associated with making policy. That is, we have no ax to grind. We're not trying in any way to say, "This is the intelligence, and it suits what you want to do, Boss."

My job is to be the SOB who comes in and says, "The hard facts, as I interpret them, are this." And as recently as yesterday morning, I did that with the President. I went in and said, "Here's my analysis of a particular situation." In fact, what I said to him is, "Boss, I sat back last night and I said, 'If I were Brezhnev, this is how I would be look at this situation that we're involved in with the Soviet Union, and what I think their motives are and how they're going to respond.'"

And you need that. You've got to have somebody who's doing intelligence and is not tied up with what the country is going to do, so there's no taint of slanting the intelligence.

"How accurate is the information provided by CIA? How effective is this in determining national security policy?"

I think we're remarkably accurate in the technical and scientific fields. It's very difficult to be a hundred percent accurate in predicting economic trends, but I think we're quite good at that. It's more difficult to predict what people are going to do politically, but I think we do a reasonable job on that. I don't think you'll ever get those three forms of intelligence prediction to be of the same accuracy, but I think we do a very creditable job.

And as to its affecting national policy, I can refer you again to some remarks the President made a week ago yesterday, when he signed this executive order, and expressly pointed out how pleased he was and how surprised he had been since becoming President with the high quality of the intelligence product that he was receiving.

"Why the decrease in covert personnel and why all the publicity, letting everyone know? Why is the CIA being dismembered? Are Russian agents in high positions responsible for this?

I've tried to approach that in my remarks. Let me amplify very briefly to say that these 820 positions that I've found necessary to eliminate were all in our headquarters. They were fat, they were overhead. We have left the fighting arm of people overseas intact. And, in fact, I believe we've left them in a stronger position because they have less people supervising them, telling them what to do. They have enough, but they don't have a superfluity of Monday morning quarterbacks back here telling them how to run their game out there in the front lines.

"Isn't the Administration's clean-conscience attitude seriously jeopardizing the CIA's effectiveness? How can the CIA or any government intelligence agency operate effectively with Congress leaking top secret information? Do you feel restrictions placed on CIA by the Congress impede the effectiveness of the CIA? I think those are all sort of related.

Philosophically, I believe you have to start from the point of view that intelligence is a dangerous operation. We're taking risks, we're doing things that none of us, you or I, like to do. We're compromising with the standards that we all would like to see established around the world. But we don't live in a nice, clean, harmonious world today. And without information, we would be at a great disadvantage.

And, therefore, we have to strike a balance between what extremes we will go to to obtain information, and not having that information at all. And there are some cases where it's not worth the candle. There are some cases where undermining the fabric of our society, in effect, spying on the American people, against the Constitution, for instance, would not be worth it.

Drawing a firm, clear line as to where you will proceed and where you will retreat is very, very difficult, and it just can't be done in an express set of terms.

And what we do get, and I hope we will receive in the next year afrom the Congress, are a set of rules, a set of guidelines as to how they want us to proceed and how to operate, the guidelines which will place some trust in those of us in positions of responsibility in the intelligence world, to interpret and to proceed with the spirit of those rules. And I believe that can be worked out in a way that it will not disable us, and yet it will pay attention to the fact that we as a country are a very moral people.

"Do you feel the effectiveness of the CIA has been hampered by the adverse publicity of the past two years? How has this affected our security?"

Yes. Yes, its effectiveness has been hampered.

I talked with one our people the other night. It happened to be a fellow whose son was at Amherst College, where I had attended. His boy was there in the height of the criticism of the Central Intelligence Agency a couple of years ago. And he just couldn't admit to his classmates that his father worked in the Central Intelligence Agency.

That eats at the heart of an organization, when you're proud of what you've done for 30 years, and now your son can't admit that he is associated with you and the agency.

So, yes, it hurts. But these people are marvelous people, they're dedicated people, they're patriotic people; and they'll snap back. And I believe we are turning that corner and we will have the public approbation that is so much deserved. And we will, I pray and hope, continue to deserve it, because we will perform in the way the country wants.

"Have recent developments weakened our ability to obtain meaningful intelligence information and obtain cooperation from allied nations?"

Yes. The leaks of information do hurt us in the international sphere. And when we talk to a person overseas who's willing to provide us information, at risk to his reputation, or maybe his life, he may get nervous if he thinks his name's going to appear in the United States media one of these days. And the same with foreign intelligence agencies who work with us. They don't want to be exposed, either. 3/22.

So, we must, in one way or another, within the bounds of our laws -- and I was so pleased this morning to see on the front page of your paper the arrest of two spies, one of them an American citizen, inside our government. We must prevent that kind of thing. We must prevent these inadvertent and advertent leaks of important information that will compromise our intelligence process.

"What are your objectives while serving as CIA head?"

My objectives are to provide to our decision-makers in this government the most complete, objective intelligence that we possibly can to help them make those decisions they must make, and to do so within the bounds of the laws of this country and the established standards of propriety that the President has set.

"Please compare the effectiveness of the CIA to the KGB."

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"For many years, my observations on facts and conditions in certain parts of the world were regularly solicited by the CIA, and I was proud to respond and assist my government. Sometime ago, I became afraid to continue, in view of possible misconstrued disclosures. Your comments, please."

I'm very disappointed. And I can assure you that proper cooperation with American business, American citizens is, in my

opinion of increasing criticality to our intelligence process. I never want to out and use these delicate, costly intelligence methods to obtain information that is available to us in our country through public means. That's not the way to do it. And more and more -- and particularly you here in Houston recognize this -- as you, the business community, deal overseas, you have information that can be of inestimable value to our country.

Our prediction on the Soviet oil problems had part of its foundation in collating information available in the business community as to what the Soviets were procuring in this country in terms of oil production equipment. It led us to diagnose what their problem was. And if would be a shame if that were turned off, as this gentleman has been turned off.

And I can only assure you that I think those are very shallow thinkers who in any way misconstrue and criticize a proper relationship with the intelligence community of our country. And I can only assure you that we do everything we can to insure that relationship is both proper and private.

"The Wall Street Journal has characterized our failure to anticipate the continuing strategic buildup by the Soviet Union as the most significant failing in intelligence in recent times. How did this occur? Will you do better?"

I don't know, and yes.

For my first four or five months in office, it was nice to say, "It's all George Bush's fault." Seriously, no. But I think, with the time I've been there, I can no longer blame it on anybody else.

But this is a very controversial subject, as to whether and how much the estimates of Soviet buildup in the military sphere have ever been off. I think the reports of the discrepancies have been exaggerated, but we're never right on. And I can only say to you that I think we're putting all the effort and all the attention we can on it, and I believe that we're quite accurate today.

"Can you comment on the recent Russian satellite case in Canada and its implications? How many are up there? Can we knock them down?"

We've watched that type of nuclear-powered Soviet satellite for quite a few years now, we've watched its pattern of activity. All the other ones they've put up have been safely boosted into outer space and left to decay up there. We detected some months ago that this one was not following the normal pattern. We alerted our people, who, in turn, talked to the Soviet Union about this one. We're all, of course, very pleased that if it had to come down, it came down in a non-populated area.

It's a riks when you put anything like that up in space. And the President has given his view in a press conference yesterday that -- or the day before, I guess -- that he'd like to see if we could reach agreement not to put that kind of thing up.

Are there any last questions from the floor? We've got a few minutes, do we, Bob?

Q: [Inaudible]

ADMIRAL TURNER: The National Security Agency and the CIA, the question was, what's their relationship?

The National Security Agency is managed by the Department of Defense. The Central Intelligence Agency is managed by myself.

As the Director of Central Intelligence, a second job which I hold, I am responsible for the overall coordination of both of those, and other intelligence organizations. And under the President's reorganization, he has now given me full authority to manage the budget of both of them, and the others; to task their daily operations -- that is, to tell what the national security agency is going to be looking for and collecting; and to insure that all the intelligence information gathered by these various sources is properly disseminated, that nobody squirrels it away in his own little place and doesn't tell everybody else who properly needs to know.

So, it's a basically military organization under my budgetary operational control.

Q: [Inaudible]

ADMIRAL TURNER: Well, let me only comment there, on the question of will we tighten standards for selling computers and other technologically advanced equipment to the Soviet Union, that that's a policy matter that is not in my field. But I do watch the receipt of technologically advanced equipment on the other side. We're not here to spy on you or others who are in the business of selling it, but we do watch what the state of technology is in the Soviet Union, and try to tell our decision-makers, our policymakers how much that's depended upon, both proper and improper transfers of technology from us and from other countries around the world. It is happening. It is unfortunate in some areas.

Q: [Inaudible]

ADMIRAL TURNER: Are we still a step ahead of the Russians on strategic forces field?

Yes, in my opinion, we are. In both the strategic and

conventional field, the Soviet Union is making, as you're well aware, prodigious efforts and outlays. It's my opinion that they want to be a major world power, and that means competing with us in every sphere that they can.

Fortunately, they are really not competitors in the economic sphere. You gentlemen and the others of the business community of this country have kept us well ahead, and, as far as I can see, will for the indefinite future.

They are really not full competitors in the political sphere. They're not full participants, full respected members of the world community in the same sense we are. We're ahead. Maybe they'll close that in time, but they've got lots of handicaps.

In the military sphere, they have much greater opportunity to apply their wealt, to apply their effort; and that's what they're doing. And we must, as I'm sure you implied by your question, maintain an adequate military posture in the Free World that they do not gain political leverage from their military buildup effort.

That's what I believe they're after. They're after political influence as a result of a perceived superior military position, if they get to that point.

And the issue, then, is when do you, when do I, when do the French and the Germans ever perceive that we are at a substantial military difference, such that it would influence the political and economic decisions that we make. We cannot let that happen. But that's a matter that all of you must judge, as well as those of us in the development.

MODERATOR: Thank you very much, Admiral Turner, for a very enlightening discussion.